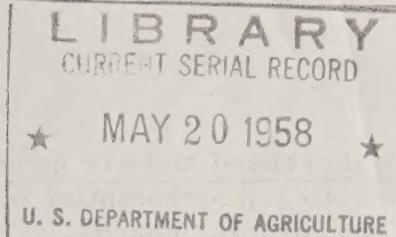


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# The AGRICULTURAL OUTLOOK DIGEST

AGRICULTURAL MARKETING SERVICE, U.S.D.A.

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Reduced farm production is in prospect this year for the first time since 1950.

Biggest cut is coming in crops. July 1 prospects indicate total may be down about 7% from 1956...the smallest since 1951. Many crops are off to a slow start in important areas and wet weather has hindered harvest of early ripening grains. Acreage harvested this year may be up slightly from 1956, when abandonment was heavy, but acreage planted was smallest in 40 years.

Production of wheat and rice and acreage of cotton are expected to be down this year. Carryovers of the 3 crops also are off substantially but stocks remain big enough to assure ample supplies. Output decreases this year also are expected for corn, tobacco, dry beans, dry peas and sweetpotatoes.

Feed supply will continue big another year. Grain output may be down from last year because of sharp reduction in prospect for corn...oats, and barley and sorghum acreage are up. Feed grain carryover is expected to rise about 14%, and supplies of byproduct feeds will continue large. Total supply of feed concentrates for 1957-58 probably will be close to last year's record.

Production at the level now indicated probably would hold feed grain prices below a year earlier this summer and fall.

Only slight cut in total output of livestock and products may occur this year. Beef cattle account for most of it. Hog production is steady at a near average level. The egg total for 1957 will be about the same as last year though a drop is expected for the second half. Turkey and broiler output is up and milk production is running a little ahead of last year's record.

Price gains made by meat animals this year are likely to be maintained through at least much of 1958. This outlook is based on declining number of cattle, level hog production and likelihood of continued strong consumer demand.

Hog producers plan an increase of only 2% in farrowings this fall...the 1957 spring crop equalled that of last year. The steady output of hogs in prospect indicates no sharp changes in prices through next summer.

Cattle slaughter dropped below a year earlier this spring...is likely to continue under 1956 the rest of 1957. The price level should hold up well...may possibly rise further.

Usual seasonal price changes will occur, of course. Drop for hogs this fall is expected to be about normal. A downward seasonal for grass cattle is expected this autumn...fed cattle prices may hold their improved level or perhaps rise some.

Pork and beef prices at retail have increased and are generally higher than a year ago. Because of decline in hog and cattle marketings, consumption of meat per person is expected to drop about 8 pounds below last year's record 167 pounds.

Egg production will fall below a year earlier this fall because a fifth fewer replacement pullets are being raised than in 1956. The seasonal price rise is likely to be greater than usual...by late summer prices are likely to be above a year earlier.

Recent broiler placements continue ahead of last year. These birds will come to market after demand has started to weaken seasonally. Consequently, prices this fall are likely to be below the improved levels of recent weeks.

Turkey prices will continue to be depressed by the record 1957 crop, and large storage holdings.

FATS AND OILS. Acreage from which soybeans are harvested will be up  $3\frac{1}{2}\%$  from last year according to July 1 forecasts. Cotton acreage in cultivation is down 15%. Stocks of soybeans will be at record levels but carryover of edible oils will be smaller. A gain is likely in lard output.

WHEAT. A 940 million bushel crop is forecast on the basis of July 1 conditions. This is down 6% from last year. The seasonal decline in prices, delayed by a late harvest, is under way.

FRUIT. About the same production of deciduous fruits as last year as in prospect. Increases are expected for apples, pears, sour cherries, sweet cherries, and apricots...decreases for peaches, plums, grapes and prunes. Stocks of most canned deciduous fruits are larger than in 1956.

VEGETABLES. Acreage planted to vegetables for processing is down from last year but stocks of processed items are up. Total supply is likely to continue well above average. Summer vegetable will be about the same and melon production larger than last year. Supplies of potatoes will stay ample for at least several weeks.

COTTON. About 14.2 million acres were in cultivation July 1. This less than acreage harvested in any year since 1878. Sign-up of 3 million acres under the soil bank accounts for most of the reduction from the 16.8 million acres under cultivation on July 1, 1956.

TOBACCO. Sharply reduced production is in prospect this year. Compared with last year flue-cured is down 32%, burley 3%, Maryland 11%, fire-cured 29%, cigar filler 5%, cigar binder 20%, and cigar wrapper 2%. Total tobacco output is off nearly a fourth from 1956 to lowest level since 1943. Acreage is down 17%, mainly because of reduced allotments, and yields are generally lower.